

**DEPARTMENT OF HEALTH SERVICES**

714/744 P Street

P. O. Box 942732

Sacramento, California 94234-7320

(916) 657-1460

February 7, 1997

**PPL 97- 002**

All County Medi-Cal Administrative Activities/  
Targeted Case Management Coordinators and  
Advisory Committee Members

**Medi-Cal Administrative Activities (MAA) Performed in a Hospital Inpatient Setting**

The purpose of this directive is to restate and clarify the policy for local governmental agencies which perform MAA in a hospital inpatient setting.

In California, many Medi-Cal providers, including hospital inpatient facilities, are reimbursed based on an all-inclusive reimbursement methodology. The all-inclusive per diem rate represents Medi-Cal payment in full for the performance of all required services and/or administrative activities, unless specifically excluded from the all-inclusive reimbursement provisions contained in State statutes and/or regulations. Currently, State statutes and/or Medi-Cal reimbursement regulations do not *exclude* MAA from the all-inclusive per diem rate paid to hospital inpatient facilities.

Certain local governmental agencies have included, in their MAA claiming plans, a description of Medi-Cal outreach activities performed in local hospital inpatient facilities. Local governmental agencies are hereby advised that 45 Code of Federal Regulations (CFR) 74.53 and the Office of Management and Budgets (OMB) Circular A-87, which is incorporated into federal Medicaid regulations at 45 CFR 74.171, prohibits the State from issuing duplicate payments. Therefore, local governmental agencies are reminded that MAA performed in the inpatient setting of hospitals participating in the Medi-Cal Program are not separately reimbursable through the MAA program. This policy is based on the aforementioned all-inclusive Medi-Cal reimbursement methodology, and the duplicate payment restriction contained in federal Medicaid regulation. Please be advised that claiming plans submitted to the Department of Health Services for MAA performed in the inpatient setting of hospitals, participating in the Medi-Cal program, shall be denied.

If you have any questions regarding this policy, please contact the Administrative Claiming Unit analyst assigned to your local governmental agency.

Sincerely,

A handwritten signature in dark ink, appearing to read "Darryl Nixon", followed by a long horizontal line.

Darryl Nixon, Chief  
Medi-Cal Benefits Branch

cc: See next page.

